

# Memo

---



**To:** Mayor and Council  
**From:** Shirley A. Freeman, Director of Finance/Administration  
**Date:** August 9, 2016 *SAF*  
**Subject:** Vehicle and Equipment Financing

---

Town of Bluffton  
20 Bridge Street  
PO Box 386  
Bluffton, SC 29910  
843.706.4500  
843.757.6720 (fax)

**Recommendation:** Town Council approval of the attached resolution for financing the purchase of four 2017 Ford Utility Police Interceptor Base SUVs with outfitting for the Police Department, one 2016 Ford Transit E1Z Cargo Van for Information Technology, and one 2016 Ford Transit E1Z Cargo Van with outfitting, one Heavy Duty Tandem trailer, one 60" Zero Turn Mower and one 72" Zero Turn Mower for the Public Works Department.

**Summary:** Seven lending institutions responded to our request for quotes for the financing of these vehicles in an amount not to exceed \$325,000. BB&T provided the lowest quote at 1.4% with a term of five years and a total interest amount of \$13,776.50.

**Background:** The total estimated cost of the outfitted vehicles and mowers in the current adopted budget is \$324,800.

### **Resolution Approving Financing Terms**

**WHEREAS:** The Town of Bluffton ("Town") has determined to undertake a project for four Ford SUVs, two Ford Transit E1Z Cargo Vans, one Heavy Duty Tandem Trailer, one 60" Zero Turn Mower and one 72" Zero Turn Mower (the "Project"), and the Director of Finance has now presented a proposal for the financing of such Project.

#### **BE IT THEREFORE RESOLVED, as follows:**

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated July 28, 2016. The amount financed shall not exceed \$325,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.4%, and the financing term shall not exceed five (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. The Town Manager or the Director of Finance/Administration of the Town of Bluffton are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Director of Finance/Administration is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Director of Finance/Administration is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Director of Finance/Administration shall approve, with the Director of Finance/Administration's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as a municipal lease purchase "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved, and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 9<sup>th</sup> day of August, 2016.

---

Sandra Lunceford, Town Clerk

---

Lisa Sulka, Mayor

SEAL